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MICHIGAN'S LABOR MARKET NEWS

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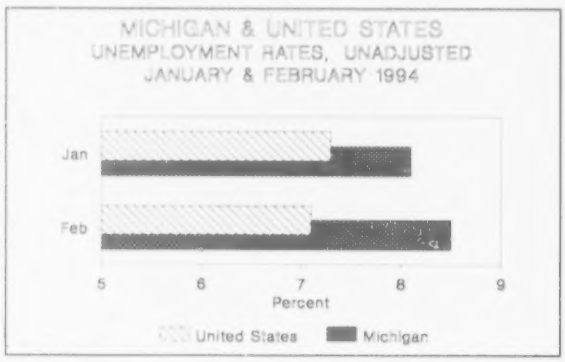
UNEMPLOYMENT INCREASES SEASONALLY

Michigan's unemployment rate increased by 0.4 percentage points as the jobless rate advanced from 8.1 percent in January to 8.5 percent in February (unadjusted). The number of unemployed individuals climbed by 14,000 over the month to total 402,000, while total employment fell by 33,000 to 4,347,000. Labor force declined by 19,000 to 4,749,000. The increase in the unemployment rate was not unexpected, as many seasonal workers drop out of the labor force during the winter months. The winter of 1994 was unusually difficult in Michigan and surveys indicate that it contributed to some advances in unemployment.



The newly redesigned Current Population Survey (CPS), which BLS uses to determine unemployment rates for the nation and the 11 largest states, may also have affected Michigan's February unemployment estimates. Several more months of labor force estimates will be needed, in order to see a clear pattern on the impact of the redesigned survey.

INDUSTRY EMPLOYMENT REBOUNDS IN FEBRUARY

Michigan's wage and salary employment increased during the month, as industry jobs moved up to 3,992,700 in February. Employment opportunities expanded by 23,200 as gains were centered in the service producing sector. Goods producing jobs fell by 5,000, primarily as a result of seasonal decline in the construction industry. Service employment increased by 28,200 jobs during February, mainly in personnel supply services and business services. State and local educational facilities also exhibited seasonal gains, as high schools and colleges recalled their support personnel following winter vacation.

HOURS AND EARNINGS
MICHIGAN

	Average Hourly Earnings		Average Weekly Hours	
	1994		1994	
	Feb.	Jan.	Feb.	Jan.
Manufacturing	15.97	15.92	44.3	44.2
Durables	16.96	16.93	45.0	44.7
Motor Vehicles	20.66	20.65	46.0	45.3
Nondurables	12.74	12.74	42.1	42.8

In February, the average workweek in the state's manufacturing industries increased to 44.3 hours from 44.2 hours the previous month. The gain was due to additional hours worked by individuals in the automotive and related industries. Over the month, average hourly earnings advanced by 5 cents to $15.97. As a result, average weekly earnings in manufacturing reached $707.47, a gain of $3.81 over January's total.

NEW INITIATIVES IN SKILLS ASSESSMENT

Skills testing is one of the important services offered by the Employment Service (E.S.) in Michigan and throughout the nation. The purpose of this service is to provide a better match of job applicants to job openings. Through skill evaluation, the E.S. helps ensure that applicants are referred to appropriate jobs and that employers are provided a choice of qualified workers. The MESC routinely administers skills tests at its branch offices throughout the state. Moreover, the MESC also operates a test development research program to support the quality, validity, and acceptance of the assessment methods used by the Employment Services. Recently, MESC was one of only five agencies in the country to win a highly competitive contract from the U.S. Department of Labor (USDOL), to implement new research initiatives for worker skills evaluation.

These new initiatives result from a study conducted by the National Academy of Sciences of the General Aptitude Test Battery (GATB). The GATB measures levels of ability in nine areas covering a comprehensive range of learning and perceptual skills, as well as physical coordination and dexterity. The academy's study found that using the GATB scores alone to rank and refer E.S. applicants, required that the test undergo some improvements to strengthen its validity.

Based on this study, the USDOL contracted with the MESC's assessment research center to investigate alternatives that would be used instead of, or jointly with, the GATB. The requirements were that any alternative will show a high degree of validity and reliability and predict job performance equally well across all demographic groups. A total of eighteen assessment methods were found to meet these criteria and to merit further examination. The broad options considered included written tests, performance examinations such as "in-basket" exercises, and background and biographical data.

The most promising approach uncovered appears to be biographical data - commonly referred to as Biodata by testing professionals. Biodata is a selection method that uses information from an applicant's past behaviors, activities, experiences, and achievements to predict future success on the job. Conventionally, this type of information is assembled from job applicants through employment applications and interviews. With biodata, a scientifically structured questionnaire becomes the vehicle for gathering data systematically on the applicant's life and work experience.

Michigan
(Data in Thousands)

	Feb 1994	Jan 1994	Feb 1993
Place of Residence			
Labor Force	4,749	4,768	4,596
Employment	4,347	4,380	4,251
Unemployment	402	388	345
Rate (Percent)	8.5	8.1	7.5
Place of Work			
Total Employment	3,993	3,970	3,909
Goods Producing	1,041	1,046	1,018
Const. & Mining	122	126	119
Manufacturing	919	921	900
Durable Goods	685	685	671
Primary Metals	37	37	36
Fabricated Metals	118	118	116
Trans. Equip.	289	289	284
Nondurable Goods	235	236	229
Food & Kindred	41	42	42
Other Nondurable	194	194	187
Service Producing	2,951	2,923	2,891
Tran. Comm. Util.	155	155	152
Wholesale Trade	196	195	196
Retail Trade	728	732	710
General Merch.	120	123	117
Eating & Drinking	254	253	248
Fin. Ins. Real Est.	191	191	190
Finance	83	83	81
Services	1,025	1,013	984
Business Services	207	203	191
Health Services	333	332	327
Other Services	485	478	466
Government	657	636	658
Federal	56	56	57
State	173	165	171
Local	428	415	430
Labor Disputes	0.4	0.1	0.2

Civilian Labor Force and Wage & Salary Estimates

	Ann Arbor			Benton Harbor			Detroit (Data in Thousands)		
	Feb 1994	Jan 1994	Feb 1993	Feb 1994	Jan 1994	Feb 1993	Feb 1994	Jan 1994	Feb 1993
Place of Residence									
Labor Force	281,400	281,300	276,400	82,900	83,600	79,700	2,130	2,138	2,072
Employment	265,900	266,700	263,700	75,600	76,400	73,500	1,961	1,973	1,921
Unemployment	15,500	14,700	12,600	7,300	7,300	6,200	169	165	151
Rate (Percent)	5.5	5.2	4.6	8.8	8.7	7.8	8.0	7.7	7.3
Place of Work									
Total Employment	247,300	244,000	245,500	66,700	66,600	65,300	1,882	1,875	1,844
Construction & Mining	5,800	5,800	5,400	1,600	1,600	1,500	51	51	49
Manufacturing	53,400	53,500	54,700	20,300	20,200	19,700	424	423	412
Tran., Comm. & Utilities	5,300	5,300	5,600	2,800	2,800	2,700	85	85	83
Wholesale Trade	6,900	7,000	7,300	2,200	2,200	2,100	111	111	112
Retail Trade	39,400	39,900	39,000	11,700	11,800	11,300	332	335	327
Fin., Ins. & Real Estate	9,300	9,300	9,100	2,600	2,600	2,600	107	107	107
Services	55,800	55,000	54,200	16,500	16,400	16,100	537	534	520
Government	71,400	68,200	70,200	9,100	8,800	9,300	237	230	235
Labor Disputes	0	0	0	0	0	0	0.3	0	0

	Kalamazoo - Battle Creek			Lansing			Saginaw - Bay - Midland		
	Feb 1994	Jan 1994	Feb 1993	Feb 1994	Jan 1994	Feb 1993	Feb 1994	Jan 1994	Feb 1993
Place of Residence									
Labor Force	227,200	228,200	221,100	237,100	238,300	232,000	194,200	195,900	188,500
Employment	211,000	212,600	208,100	222,600	224,300	214,800	176,700	178,900	175,000
Unemployment	16,200	15,600	13,000	14,500	14,000	17,200	17,600	17,000	13,500
Rate (Percent)	7.1	6.8	5.9	6.1	5.9	7.4	9.0	8.7	7.2
Place of Work									
Total Employment	195,600	194,600	193,800	215,200	213,800	209,300	162,300	162,600	161,400
Construction & Mining	5,700	5,800	5,600	5,600	5,700	5,400	5,800	6,200	6,400
Manufacturing	49,100	49,000	49,400	29,100	29,300	23,400	40,700	40,900	41,600
Tran., Comm. & Utilities	6,100	6,100	6,000	6,200	6,200	6,200	6,400	6,300	6,400
Wholesale Trade	6,500	6,600	6,500	8,000	7,900	7,800	6,200	6,100	6,100
Retail Trade	35,600	36,000	34,800	39,000	39,300	38,500	33,900	34,300	33,400
Fin., Ins. & Real Estate	10,300	10,300	10,100	12,100	12,100	12,100	6,200	6,200	6,000
Services	46,500	46,300	45,600	47,100	47,000	47,100	40,400	39,900	39,500
Government	35,700	34,500	35,800	68,200	66,200	68,700	22,800	22,500	22,000
Labor Disputes	0	0	0	0	0	0	0	0	0

Civilian Labor Force and Wage & Salary Estimates

	Flint			Grand Rapids - Muskegon			Jackson		
	Feb 1994	Jan 1994	Feb 1993	Feb 1994	Jan 1994	Feb 1993	Feb 1994	Jan 1994	Feb 1993
Place of Residence									
Labor Force	199,600	200,200	195,900	520,600	523,200	503,700	74,600	75,100	71,100
Employment	178,100	179,400	178,400	485,200	488,400	472,300	67,900	68,700	65,600
Unemployment	21,500	20,800	17,500	35,400	34,800	31,400	6,600	6,400	5,500
Rate (Percent)	10.8	10.4	8.9	6.8	6.7	6.2	8.9	8.5	7.8
Place of Work									
Total Employment	164,200	163,300	165,200	467,000	465,700	455,000	55,500	55,400	54,100
Construction & Mining	3,900	4,100	4,100	16,800	17,100	16,500	1,600	1,600	1,500
Manufacturing	45,300	45,400	48,300	137,400	137,000	132,600	12,700	12,600	12,100
Tran., Comm. & Utilities	4,300	4,300	4,600	16,700	16,600	16,400	3,600	3,600	3,500
Wholesale Trade	7,000	6,800	7,100	29,500	29,400	29,000	2,200	2,200	2,100
Retail Trade	31,500	31,700	31,800	81,700	82,500	81,000	11,100	11,300	10,800
Fin., Ins. & Real Estate	6,200	6,200	6,100	19,100	19,200	18,900	1,900	1,800	1,800
Services	41,500	40,800	38,700	113,200	111,900	108,300	12,200	12,100	11,800
Government	24,500	24,000	24,600	52,600	52,000	52,300	10,300	10,100	10,400
Labor Disputes	0	0	0	0	0	0	0	0	0

	Upper Peninsula			Grand Traverse LMA			Missaukee - Wexford LMA		
	Feb 1994	Jan 1994	Feb 1993	Feb 1994	Jan 1994	Feb 1993	Feb 1994	Jan 1994	Feb 1993
Place of Residence									
Labor Force	151,900	152,100	142,700	64,200	64,500	60,500	20,000	20,000	18,700
Employment	131,900	133,200	127,300	58,000	58,500	55,500	17,500	17,700	16,700
Unemployment	19,900	18,900	15,400	6,300	6,000	5,000	2,500	2,400	2,000
Rate (Percent)	13.1	12.5	10.8	9.8	9.3	8.3	12.5	11.8	10.8
Place of Work									
Total Employment	117,900	117,700	114,600	50,600	50,500	48,700	15,500	15,600	14,800
Construction & Mining	6,400	6,600	6,500	4,300	4,300	4,200	300	300	500
Manufacturing	15,000	15,100	14,900	7,100	7,000	6,800	4,700	4,700	4,200
Tran., Comm. & Utilities	5,200	5,200	5,200	1,800	1,800	1,800	700	700	600
Wholesale Trade	3,200	3,200	3,100	1,800	1,800	1,800	500	500	500
Retail Trade	23,900	24,000	22,700	11,100	11,300	10,700	3,100	3,100	3,000
Fin., Ins. & Real Estate	4,200	4,300	4,200	2,100	2,100	2,000	400	400	400
Services	24,800	24,800	23,300	14,900	14,900	14,100	3,200	3,300	3,100
Government	35,200	34,600	34,700	7,500	7,300	7,400	2,600	2,600	2,600
Labor Disputes	0	0	0	0	0	0	0	0	0

MAJOR LABOR MARKET AREAS

UNEMPLOYMENT RATES UP IN MAJOR METROPOLITAN AREAS

Seasonal job losses caused February unemployment rates to increase in all 10 of Michigan's major labor market areas. Typically, the state and its major labor markets experience job losses in retail trade and construction during February. This year was no exception, as employment dropped in all ten areas while the labor force declined in nine. Much of the decline in the labor force resulted from the release of temporary workers, as the Christmas holiday and post-holiday season came to its end. Among the positive economic signs observed in February were employment increases in the manufacturing industries, and a decline in the number of unemployment claims.

Among the state's major labor market areas, Ann Arbor registered the lowest unemployment rate at 5.5 percent, followed by Lansing with 6.1 percent, while the Upper Peninsula (U.P.) and Flint areas had the highest rates at 13.1 and 10.8 percent, respectively. The Upper Peninsula also experienced the largest rate change in February, gaining 0.6 percentage points for the month. The month-to-month change was not significant in any of the major labor markets, as the unemployment rate increases averaged less than half of a percentage point in all areas, except the Upper Peninsula.

WAGE AND SALARY EMPLOYMENT ADVANCES IN FEBRUARY

Total February nonfarm payroll employment rose in nine of the 10 major labor market areas. The Saginaw - Bay - Midland area was the only one to show a small drop of 0.2 percent, caused mostly by a seasonal decline in the construction industry. Among the major areas, Ann Arbor experienced the largest percentage increase at 1.4 percent, followed by Lansing and Flint with 0.7 and 0.6 percent, respectively. Most areas showed seasonal gains in their state and local government, as many educational facilities recalled their support personnel following winter vacation. Many major areas also reported scattered increases in private services, especially health and business services.

During February, the average workweek in the manufacturing industries advanced in five major metropolitan areas. The gains were due to increases in the durable goods industries. Average hourly earnings moved up in seven of the metropolitan statistical areas over the month, causing average weekly earnings in six areas to rise. The largest gains were reflected in the Upper Peninsula and Kalamazoo with increases of $29.97 and $10.59, respectively.

MANUFACTURING HOURS AND EARNINGS
Major Labor Market Areas
January and February 1994

Area	Average Weekly Hours		Average Weekly Earnings		Average Hourly Earnings	
	Feb.	Jan.	Feb.	Jan.	Feb.	Jan.
Ann Arbor	45.5	45.8	759.39	765.78	16.69	16.72
Benton Harbor	42.8	42.5	495.62	495.97	11.58	11.67
Detroit	46.2	45.9	792.79	787.18	17.16	17.15
Flint	45.3	45.3	967.15	962.17	21.35	21.24
Grand Rapids	42.6	43.0	561.89	562.87	13.19	13.09
Jackson	43.4	42.8	493.89	488.78	11.38	11.42
Kalamazoo	43.8	43.3	662.69	652.10	15.13	15.06
Lansing	41.5	41.8	732.89	736.10	17.66	17.61
Saginaw	43.4	43.5	800.30	792.13	18.44	18.21
Upper Peninsula	41.1	38.9	472.65	442.68	11.50	11.38

LABOR SURPLUS AREAS

Alcona County
Alger County
Alpena County
Antrim County
Arenac County
Baraga County
Battle Creek City
Bay City
Benzie County
Berrien County
Branch County
Burton City
Cass County
Charlevoix County
Cheboygan County
Chippewa County
Clare County
Clinton Township
Delta County
Detroit City
Dickinson County
Emmet County
Flint City
Gladwin County
Gogebic County
Grand Rapids City
Gratiot County
Highland Park City
Hillsdale County
Houghton County
Huron County
Inkster City
Ionia County
Iosco County
Iron County
Jackson City
Jackson County Bal.
Kalamazoo City
Kalkaska County
Keweenaw County
Lake County
Lapeer County
Lenawee County
Luce County
Mackinac County
Macomb County Bal.
Madison Heights City
Manistee County
Marquette County
Mason County
Mecosta County
Menominee County
Midland County Bal.
Missaukee County
Monroe County
Montcalm County
Montmorency County
Mount Morris Township
Muskegon City
Muskegon County Bal.
Newaygo County
Oceana County
Ogemaw County
Ontonagon County
Osceola County
Otsego County
Pontiac City
Port Huron City
Presque Isle County
Roscommon County
Roseville City
Saginaw City
Sanilac County
Schoolcraft County
Shiawassee County
St. Clair County Bal.
St. Joseph County
Tuscola County
Van Buren County
Warren City
Wexford County

IMPORTANT NOTICE: The Department of Labor issues the Labor Surplus Area listings on fiscal year basis. The listings become effective on October 1st and stay in effect through the following September 30th. Some significant changes were made in this year's listings. Seventeen areas were removed, and one added. The areas removed were: Barry County, Bay County Bal., Calhoun County Bal., Clinton County, East Detroit City, Ferndale city, Flint Township, Genesee County Bal., Grand Traverse County, Lansing City, Leelanau County, Lincoln Park City, Saginaw County Bal., Shelby Township, Taylor City, Waterford Township, Yipsilanti Township. The only area added was Kalamazoo City.

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